

Hospital Boards: No Pain, No Gain

Institute for Healthcare Improvement
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D12/E12

Barry S. Bader
Bader & Associates
Potomac, Maryland
Phone: 301-340-0903
Fax: 301-340-1345
Email: bbader@greatboards.org
or bsbader@att.net
www.GreatBoards.org

Maulik S. Joshi, DrPH
President and CEO
Delmarva Foundation
9240 Centreville Road
Easton, MD 21601
Phone: 410-763-6214
Email: joshim@dfmc.org



Objectives

- Identify best practices associated with high performance governance
- Disclose hospital leaders' secrets for fully engaging the board's potential
- Discuss how to apply best practices to enhance your governance



For the Next 75 Minutes

- Discussion of High Performing Governing Boards (10 minutes)
- Best Practices and Secrets (40 minutes)
- Discussion: Where are You on the Continuum?(15 minutes)
- Questions and Answers (10 minutes)



Discussion

- What are the characteristics of high performing governing boards?
- What are common sources of “**pain**” – things that prevent governance from achieving high performance?



Background

- Research conducted over the last 15 months
- Funding by the Robert Wood Johnson Foundation
- Interviewed Hospital CEOs and Board Chairpersons (over 75 interviews representing over 50 hospitals)
- 30 to 45 minute interviews
- Major research aims:
 - Hospital CEO and BC perception of the engagement of the hospital board in quality,
 - The relationship between the board's engagement in quality and the organization's overall performance
 - Potential best practices in engaging the board in quality

**Publication in Progress*



Interview Questions

Quality Literacy	On a 1 to 10 scale, how familiar are you (CEO or Board Chair) with the 2 IOM reports – To Err is Human and Crossing the Quality Chasm
Quality Literacy	On a 1 to 10 scale, how familiar do you think the Board Chair is with the 2 IOM reports To Err is Human and Crossing the Quality Chasm
Quality Literacy	On a 1 to 10 scale, how familiar do you think ALL board members are with the 2 IOM reports – To Err is Human and Crossing the Quality Chasm
Quality Literacy	On a scale of 1-10, how well do you feel you understand the data being publicly reported?
Quality Literacy	How many board members have an expertise in quality? What are their backgrounds?
Agenda Setting	How do patient perspectives get incorporated into the Board's agenda for quality?
Agenda Setting	For a typical meeting, what are the major Board standing agenda items? What % of the time is allocated to discussing each?
Performance Tracking	How satisfied are you that the quality data the board reviews are the <u>right</u> measures for a comprehensive assessment of the organization's <u>real</u> quality performance?
Performance Tracking	On a scale of 1-10 rate how well the hospital culture fosters interdisciplinary collaboration on quality and safety improvement.
Accountability	Is there variable compensation for the CEO linked directly to quality? If yes, what %
Accountability	On a scale of 1-10 how well do you think the organizational quality planning is integrated with the overall strategic planning?
Value-Added	On a scale of 1-10 how satisfied are you that the Board adds value through its' efforts in quality? Give an example of how?
Overall	What is the most effective thing you have done in getting the Board more engaged in quality?
Overall	What one thing would you want to do/will do to get the Board more engaged in quality?
Overall	What has been the greatest barrier in getting the Board's Engagement in Quality?
Overall	What has been the most significant quality improvement project in the hospital in the last year? Rate the project on a scale of 1-10. What were the results? Why was this successful? What was a key lesson that you learned?
Overall	Rate your (CEO) level of improvement expertise (1=Novice, 4=Master level)
Overall	On a 1 to 10 scale, how satisfied are you with how your hospital is progressing in improving quality?
Overall	On a 1 to 10 scale, how engaged is the Board in Quality?

What are Board Chairpersons and CEOs saying

1. Board quality literacy is low to moderate regarding landmark IOM reports (the vision)
2. Mixed definitions of what is considered quality expertise on the Board
3. Public reporting is strong driver of awareness
4. Strong awareness of “buzz initiatives” (e.g., IHI 100k, state patient safety centers)
5. Perceptions between CEOs and Board Chair not always aligned
6. Agenda time for quality increasing
7. Need better integration of measurement, planning and incentives
8. High use of Dashboards/Scorecards for performance monitoring
9. The big aims/big dots/quality goals are not well defined
10. There is some suggestive link between governance practice and organizational performance



Board quality literacy is low to moderate regarding landmark IOM reports (the vision)

	Familiarity with IOM Reports	CEO Perception of BC Familiarity with IOM Reports	Understanding of Publicly Reported Data
CEO Average	7.59	4.82	8.52
BC Average	5.95	N/A	8.73
Overall Average	6.88	N/A	8.61
Scale/ (Significance)	1 to 10 (Difference at $p < 0.02$)	1 to 10	1 to 10



Mixed definitions of what is considered quality expertise on the Board

Number of Quality Experts on Board?

- CEO says 5.7 people
- Board says 9.8 people



External Drivers

- Public reporting is strong driver of awareness
- Strong awareness of “buzz initiatives” (e.g., IHI 100k, state patient safety centers)



Perceptions between CEOs and Board Chair not always aligned

* CEOs generally give lower scores than BCs regarding satisfaction with progress in improvement, CEO improvement expertise, and the board's engagement in quality.



Agenda time for quality increasing

- About 30% of the time is spent on quality
- Moved to the front of the agenda
- Flavor of the agenda has changed
 - From credentialing discussion to indicator focused



Measurement, Planning, Incentives, Dashboards, Big Aims (Oh My!)

	Using Right Measures to Drive Quality Improvement	Integrating Quality Planning and Strategic Planning	CEO Variable Compensation Linked to Quality Improvement
CEO (n = 27)	6.22	7.67	67%
Board Chair (n = 20)	7.45**	8.85**	45%

**CEO and board chair responses significantly differ at $p < 0.05$



Link between governance practice and organizational performance

- Previous study showed correlation between self-assessed engagement in quality and mortality rate
- Most recent study shows correlation of 0.4 between self-assessed engagement in quality and 10 CMS clinical measures (Heart Failure, AMI, Pneumonia)



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Tactics for Board Engagement in Quality and Safety

Increase the Board's Quality Literacy

- Educate the board on salient quality issues beyond public reporting.
- Initiate discussion with the board on what defines a quality expert and consider adding quality experts to the board.
- Use retreats for having in-depth dialogue on quality and quality improvement projects.
- Have board members attend quality conferences.

Frame an Agenda for Quality

- Initiate discussion between the board chair and CEO on the status of quality improvement in the hospital. How is the hospital progressing? What are the barriers? What are the strengths? How can the board support improvement?
- Ensure discussion of quality on the board agenda gets equal billing with other important agenda items.



Quality Planning, Focus, and Incentives

- Create a vision for quality for the hospital with long-term outcome measures and goals. These outcome measures may include aggregate quality measures such as mortality rates (100k Lives).
- Review the hospital's quality plan and ensure it is aligned with the overall hospital strategic plan.
- Ensure the quality measures the board reviews are assessed annually and are well understood by board members.
- Integrate the quality measures into the overall board performance metrics and board strategic milestones.
- Link incentive compensation of leadership to quality metrics.

Patient-Centeredness

- Share patient stories at Board meetings to further increase focus on patient-centeredness.
- Ensure that patients are involved in improvement, such as by having patients participate on improvement teams.



What Boards Do

“Boards are like fire departments. You don’t need them every day but they have to come when they’re called.”

- Jay Lorsch, management professor and author



Boards Have Four Roles

- Setting or approving high level, organizational goals, directions and priorities
- Making major decisions and approving major policies
- Overseeing performance against goals
- Exerting external influence on behalf of the organization



Best Practices

- Organizational practices
 - Practices that involve official responsibilities, policies, structure, information, lines of reporting, and meetings
- People practices
 - Practices that involve the board's members, including their competencies, commitment, orientation and education, relationships, culture, and understanding of their responsibilities



Organizational Best Practices

- Governance Charter, including written roles, responsibilities and expectations
- Designated quality/safety oversight responsibility
 - Board Quality and Professional Affairs Committee
 - Or, designated meeting time (if board uses Committee of the Whole model)
- Annual or Multi-Year Improvement Plan, with high level goals, integrated with strategic plan
- Comprehensive Dashboard, sub-dashboards and other information formatted for governance
- Effective use of time at meetings for oversight, education and engaged, substantive discussion of important issues
- Regular self assessment and improvement

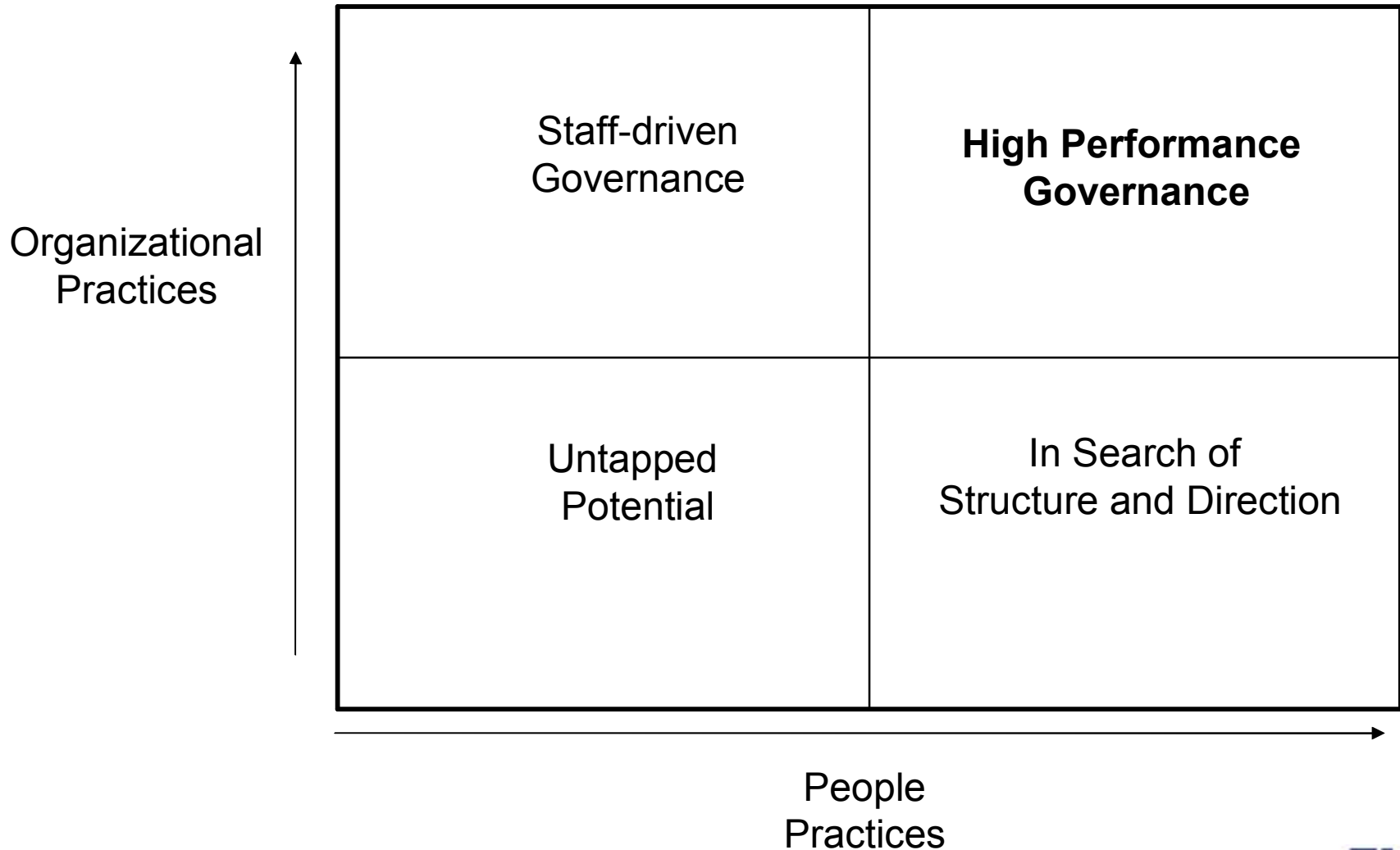


People Best Practices

- “Get the right people on the bus” (Collins, *Good to Great*)
- Orient new members to their roles, responsibilities, expectations, quality/safety trends, reading reports and “red flags”
- Mentor new members
- Develop board leaders through succession planning
- Provide education (e.g., 100K Lives, P4P, importance of culture, publicly available data)
- Commit the time and *engage*
- Foster a culture of accountability, trust, candor, “constructive skepticism,” and continuous learning



Where is Your Governance?



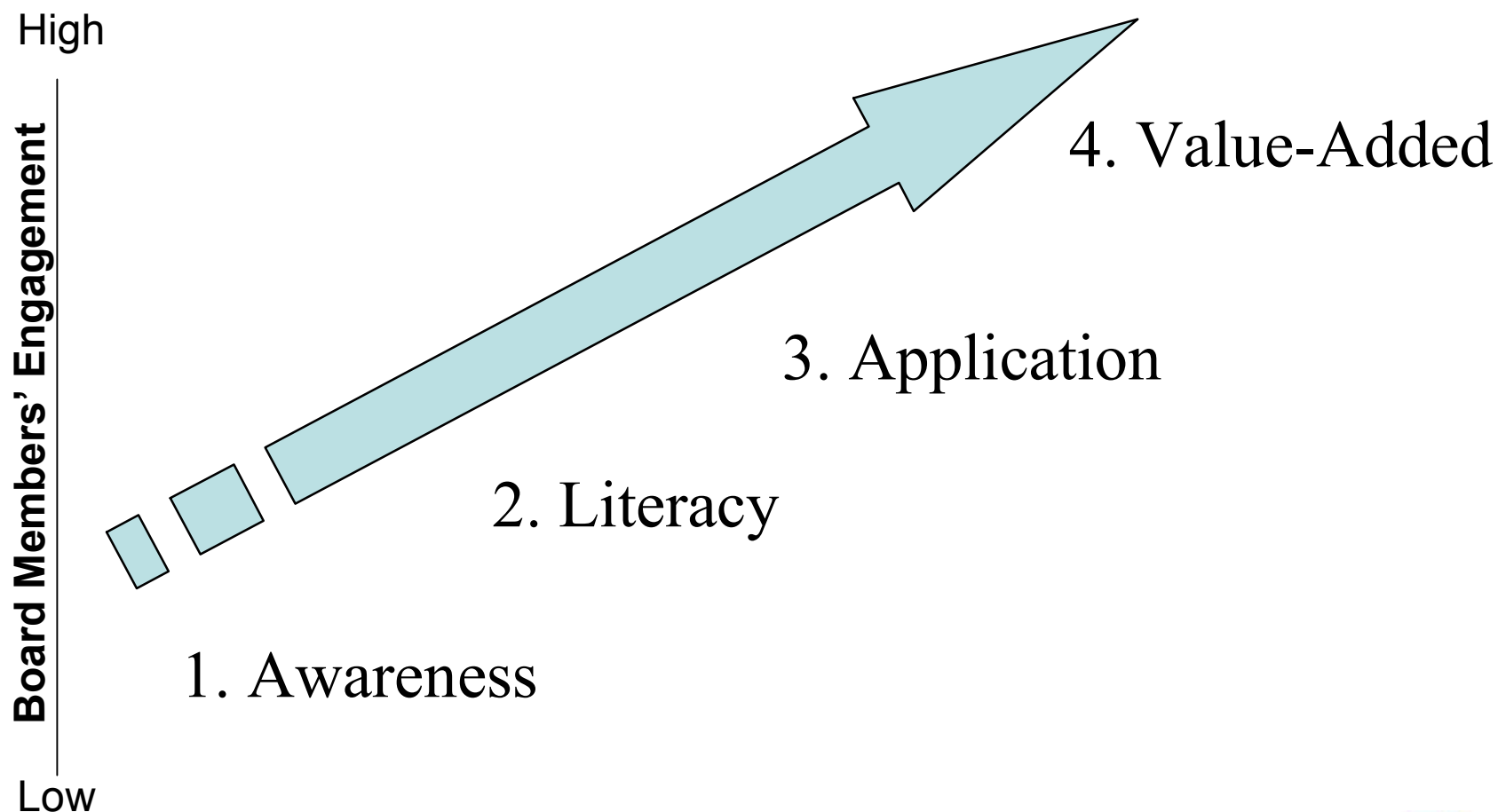
Board Secrets of Successful Quality Leaders

- Physicians and lay members with “the right stuff”
- The Dynamic Duo: Chair and CMO
- In God We Trust, All Others Bring Information
- Stretch goals: Set the bar high (e.g., 100K Lives, the “Big Dots”)
- Power of One: The Director’s Voice
- Annual Education and Work Plan
- Lean staffing at meetings
- Quality criteria for executive incentive compensation
- Use Board Assessment to drive CGI



Applying Best Practices

Building the Board's Quality Competency



Discussion

- Where is your organization/board on the Quality Competency Continuum?
- What practices/steps could move your organization forward?



Sample Governance Effectiveness Action Plan

Improvement Action	Responsibility	Timeline
1. Revise Board Quality Committee Charter	Board Quality Committee & CMO	Within 60 days
2. Recruit new members to BQC	Governance Comm. and Chair of BQC	Within 6 months
3. Develop Education and Work Plan for 2006	BQC Chair and CMO, w/ committee OK	Within 30 days
4. Set quality stretch goals for 2006	BQC recommends to Full Board	Within 30 days
5. Redesign quality dashboard	BQC and CMO	Within 6 months



A Few Slides for Reference

- Sample dashboard
- Four questions to ask about quality – related programs
- Building a board education and work plan



Comprehensive Dashboard + Definitions, Data, Trends and Explanations

Indicators	Q 1	Q 2	Q 3	Q 4	Y T D
Employee turnover					
Nursing vacancies					
Employee satisfaction					
Inpatient admissions					
Pct. Admissions from ED					
Market share in target services					

Indicators	Q 1	Q 2	Q 3	Q 4	Y T D
Operating margin					
Days Cash on Hand					
Patient satisfaction					
Medication errors					
Unscheduled readmissions					
Core Measures - CHF					

Go to www.GreatBoards.org for a comprehensive sample from Middlesex Health System, Middletown, CT



What Do Boards Need To Know About Quality-related Programs?

1. That we have a written plan with appropriate goals, priorities and resources
2. That mechanisms for implementation are in place, meet requirements, and apply best practices
3. That responsibility is clearly assigned
4. That there is evidence the mechanism works

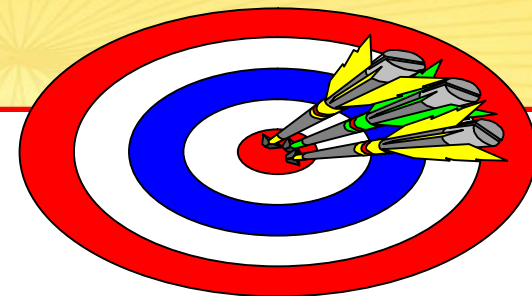


Building an Education and Work Plan

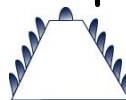
1. Define board or committee's responsibilities
2. Establish "goals"/special focus areas for education and work (the "A" List)
3. Layout education and work on an annual calendar:
 - Education
 - Major expected actions and activities
 - Other meeting components
4. Use the calendar as a guideline for planning agendas
5. Update the plan during the year



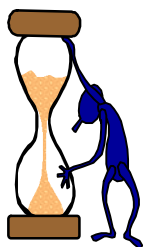
Examples of Board Quality Goals/Focus Areas



- Explore an area of critical future importance, *e.g.*,
 - Magnet hospitals
 - Use of IT to improve patient care
 - Pay for performance initiatives
- Address an emerging quality issue, *e.g.*,
 - New JCAHO Standards
 - MRSA's
 - Hospitalist programs
 - Intensivist programs
 - Continuing survey readiness
- Closely follow a key quality initiative, *e.g.*,
 - 100,000 Lives
 - JCAHO Patient Safety Goals
 - Implement best practices
 - “Audit” credentialing process
- Develop board policy
 - Hiring intensivists
 - Board certification
 - Determining privileges for cross-specialty procedures
- Educational needs
 - Reading the dashboard
 - Root cause analysis



Sample Quality Committee Work Plan



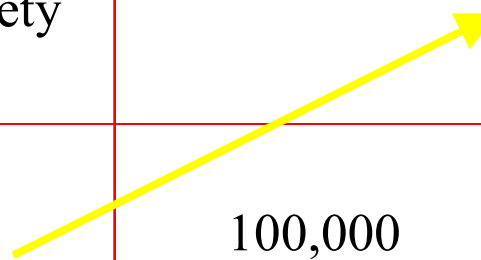
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20%

10%

	Meeting 1	Meeting 2	Meeting 3
Major, Planned Actions	Approve Annual Quality & Pt. Safety Plans		Approve Intensivist Policy
Discussion or Education on Goals, Policies or Strategies	Education on Intensivists	100,000 Lives Project Progress	Publicly Available Data/ Pay for Performance
Focused Oversight	Customer Satisfaction	QI/PI Initiatives	Patient Safety
Regular Business	Dashboard Credentials	Dashboard Credentials	Dashboard Credentials



Sample Committee Meeting Agenda

20

Major Actions

- Approve Annual Quality/PI and Patient Safety Plans

30

Major Issue for Education and Discussion

- Trends in use of intensivists: Task force site visits

20

Focused oversight

- Customer/Patient satisfaction reports

20

Regular business

- Medical staff credentials; Track B recommendations
- “Dashboard Report”
- CMO/Chief of Medical staff reports

10

Discussion of Agenda for Next Meeting

- Proposed additional agenda items
- Evaluation of this meeting

